APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/015,258	12/11/2001	Richard A. Graff	Graff-P2-01	3786

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EXAMINER
ROSEN, NICHOLAS D

ART UNIT	PAPER NUMBER
3625	

DATE MAILED: 06/03/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE <u>3</u> MONTH(S) FROM
THE MAILING DATE OF THIS COMMUNICATION.
- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed
  after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
  Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any
  earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on <u>19 May 2004</u>.

2a)☒ This action is **FINAL**.   2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is
closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) <u>1-27</u> is/are pending in the application.

   4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) <u>1-27</u> is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

   Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

   Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

   a)☐ All   b)☐ Some * c)☐ None of:

      1.☐ Certified copies of the priority documents have been received.

      2.☐ Certified copies of the priority documents have been received in Application No. _____.

      3.☐ Copies of the certified copies of the priority documents have been received in this National Stage
         application from the International Bureau (PCT Rule 17.2(a)).

   * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☐ Notice of References Cited (PTO-892)

2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)

3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
   Paper No(s)/Mail Date _____.

4) ☐ Interview Summary (PTO-413)
   Paper No(s)/Mail Date. _____ .

5) ☐ Notice of Informal Patent Application (PTO-152)

6) ☐ Other: _____.

DETAILED ACTION

Claims 1-27 have been examined.

Examiner has noted the Applicant's request for an Interference against

Harrington et al., U.S. Patent 6,161,099. However, Examiner does not believe that an

Interference is proper, because, as set forth below, Examiner believes that the instant

application does not adequately support the claim limitations; and that the earlier

applications, of which the instant application is a continuation-in-part (via intermediate

applications of which the instant application is a continuation), which predate

Harrington's filing date, definitely do not provide adequate support for the claim

limitations. Therefore, Examiner has judged it proper to reject Applicant's claims based

on Harrington.

Claim Rejections - 35 USC § 112

The following is a quotation of the first paragraph of 35 U.S.C. 112:

> The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

Claims 1, 3-13, and 18 are rejected under 35 U.S.C. 112, first paragraph, as

containing subject matter which was not described in the specification in such a way as

to reasonably convey to one skilled in the relevant art that the inventor(s), at the time

the application was filed, had possession of the claimed invention. As per claim 1, the

instant application does not disclose inputting data associated with at least one price a

buyer is willing to pay for at least one fixed income instrument into a buyer's computer

via input means. (The Applicant has referred to page 29, lines 3-12, and page 30, lines 4-8, as supporting this limitation, but these parts of the specification teach computing a price that it is expected that buyers will be willing to pay, based on prevailing interest rates, etc., in a financial analysis computer system, rather than inputting the price a particular buyer is willing to pay, or even data associated therewith, into a buyer's computer; in fact, the calculated data is outputted *to* at least one buyer's computer [page 55, lines 10-18; Figure 6].) The instant application does not disclose presenting said price by outputting at least some of said inputted data from said buyer's computer over said multiple computer system. (The Applicant has referred to page 34, lines 8-10, and page 24, line 23, in support of this limitation, but while the language of the specification at those points refers to presenting data, the data is not "said price," nor from the buyer's computer; instead, the data is financial analysis output data sent *to* at least one buyer's computer.) A fortiori, support for these claim limitations is definitely not present in the specification of U.S. Patent 5,802,501, filed January 12, 1994, of which the instant application is (via intermediate applications) a continuation-in-part.

Claims 3-13 and 18 are rejected as depending on claim 1.

Claims 2, 14-17, and 19-27 are rejected under 35 U.S.C. 112, first paragraph, as containing subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention. As per claim 2, the instant application does not disclose, at one of multiple buyers' computers, inputting data associated with a price one of the multiple buyers is willing to pay for fixed income

instruments into via respective input means. (The Applicant has referred to page 29, lines 3-12, and page 30, lines 4-8, as supporting this limitation, but these parts of the specification teach computing a price that it is expected that buyers will be willing to pay, based on prevailing interest rates, etc., in a financial analysis computer system, rather than inputting the price a particular buyer is willing to pay, or even data associated therewith, at a buyer's computer; in fact, the calculated data is outputted *to* at least one buyer's computer [page 55, lines 10-18; Figure 6]). The instant application does not disclose presenting said price by outputting said yield/discount rate over said multiple computer system to said other computer. (The Applicant refers to page 24, line 23, and page 60, lines 19-20, in support of this limitation, but at page 60, lines 19-23, the specification teaches calculating a yield/discount rate at a seller computer system, rather than outputting said yield/discount rate computed based at least in part on data associated with a price a buyer is willing to pay.) A fortiori, support for these claim limitations is definitely not present in the specification of U.S. Patent 5,802,501, filed January 12, 1994, of which the instant application is (via intermediate applications) a continuation-in-part.

Claims 14-17 and 19-27 are rejected as depending on claim 2.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the

invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claims 1, 3-13, and 18

Claims 1, 3-13, and 18 are rejected under 35 U.S.C. 103(a) as being unpatentable over Harrington et al. (U.S. Patent 6,161,099) in view of official notice. As per claim 1, Harrington discloses in an electronic system including a second computer having an output means and at least one buyer's computer having an input means and a monitor, said buyer's computer and said second computer being respectively located, said computers being used in cooperation in a multiple computer system in electronically communicating data between said computers, an electronic process for selling fixed income instruments (Abstract; Figure 1), the process comprising: inputting data associated with at least one price a buyer is willing to pay for at least one fixed income instrument into said buyer's computer via said input means (column.4, lines 34-46; column 5, lines 11-36; column 6, lines 11-52; Figure 1); automatically computing a yield/discount rate based at least in part on said inputted data, said automatically computed yield/discount rate associated with said at least one fixed income instrument (column 8, lines 18-28; column 9, lines 23-55; Figures 10 and 11); presenting said price by outputting at least some of said inputted data from said buyer's computer over said multiple computer system (column 4, lines 34-46; column 5, lines 11-39; column 11, lines 20-48; Figure 3a); communicating data associated with said price to said second computer over said multiple computer system (Abstract; column 4, lines 34-46; column 5, lines 11-39; column 11, lines 20-48). Harrington does not expressly disclose that the input means is electrically coupled, but official notice is taken that it is well known for

keyboards, computer mice, etc., to be electrically coupled to computers. Hence, it would have been obvious to one of ordinary skill in the art of electronic commerce at the time of applicant's invention to have the input means electrically coupled to the at least one buyer's computer, for the obvious advantage of enabling the buyer or buyers to input data using standard, widely available equipment.

As per claim 3, Harrington discloses that said presenting step includes presenting a price a buyer is willing to pay for at least one of an entire fixed income instrument and a component of the fixed income instrument (column 6, lines 20-25; column 9, lines 23-65).

As per claim 4, Harrington discloses that said system further includes a third computer respectively located in said multiple computer system, and said presenting step comprises outputting said data from said buyer's computer, and said third computer receiving said data, by electronic communication (Abstract; Figure 3a; column 4, lines 47-55; column 11, lines 20-41).

As per claim 5, Harrington discloses that his invention is applicable to Treasury auctions (column 6, lines 14-17). Harrington does not expressly disclose inputting an interest rate for at least one maturity associated with at least one fixed income Treasury instrument including one or more series of maturities, but does disclose inputting an interest rate for at least one maturity associated with at least one fixed income instrument including one or more series or maturities (column 4, lines 34-46; column 5, lines 11-36; column 6, lines 11-52; column 9, lines 4-11 and 23-39; Figure 10), and discloses that his invention is applicable to Treasury auctions (column 6, lines 14-17).

Hence, it would have been obvious to one of ordinary skill in the art of electronic commerce at the time of applicant's invention to apply Harrington's invention to at least one fixed income Treasury instrument, for the obvious advantage of applying Harrington's method to one of the financial instruments for which he declares it applicable, thus making Treasury auctions more convenient.

As per claim 6, Harrington discloses inputting a purchase price for one of a component of a portfolio of fixed income instruments and all of the portfolio of fixed income instruments (column 9, lines 23-65; column 10, lines 22-23).

As per claim 7, Harrington discloses that said inputting step includes inputting a yield/discount rate for each maturity associated with a portfolio of fixed income instruments (column 4, lines 34-46; column 5, lines 11-36; column 6, lines 11-52; column 9, lines 4-11 and 23-55; Figures 10 and 11), and discloses that his invention is applicable to Treasury auctions (column 6, lines 14-17). Harrington does not expressly disclose that the instruments are associated with a Treasury yield curve, but official notice is taken that Treasury yield curves are well known, so Treasury instruments are inherently associated with a Treasury yield curve. Hence, it would have been obvious to one of ordinary skill in the art of electronic commerce at the time of applicant's invention to have the inputting step include inputting a yield/discount rate for each maturity associated with a portfolio of fixed income Treasury instruments, for the obvious advantage of applying Harrington's method to one of the financial instruments for which he declares it applicable, thus making Treasury auctions more convenient.

As per claim 8, Harrington discloses that the system further includes a third computer respectively located in said multiple computer system, and said process further includes at least some of said data inputted by said inputting step being received by electronic communication by said third computer in said multiple computer system for display (Abstract; Figure 3a; column 4, lines 47-55; column 11, lines 20-41). Harrington does not expressly disclose that said third computer has a monitor, or that said data is displayed on said third computer's monitor, but official notice is taken that it is well known for computers to have monitors (as Harrington shows in Figure 1). Hence it would have been obvious to one of ordinary skill in the art of electronic commerce at the time of applicant's invention for the third computer to have a monitor, and for at least some of the data to be displayed on the third computer's monitor, for the obvious advantage of enabling the user of the third computer to easily view the data, and any other data on the third computer.

As per claim 9, Harrington discloses that bidders can view bid information in real-time (column 4, lines 47-55; column 12, lines 46-58; column 13, 21-25), implying that receipt of electronically communicating data by said third computer is performed in real time response to said presenting step. Harrington illustrates such data including at least text (Figure 6).

As per claim 10, Harrington discloses that bidders can view bid information in real-time (column 4, lines 47-55; column 12, lines 46-58; column 13, 21-25), implying that said communicating step is performed in real time response to said presenting step.

As per claim 11, Harrington discloses that the computing step comprises computing the yield/discount rate (column 9, lines 23-55).

As per claim 12, Harrington discloses receiving at least some output by said buyer's computer in the multiple computer system communicated from a second other computer in the multiple computer system, said buyer's computer and said second other computer respectively located, and at least some of said output including an offering memorandum (Abstract; Figure 3a; column 4, lines 47-55; column 11, lines 20-41).

As per claim 13, Harrington discloses automatically verifying said inputted data (column 4, lines 56-67).

As per claim 18, Harrington discloses inputting an interest rate for at least one maturity associated with at least one fixed income instrument including one or more series of maturities (column 4, lines 34-46; column 5, lines 11-36; column 6, lines 11-52; column 9, lines 4-11 and 23-39; Figure 10), and discloses that his invention is applicable to Treasury auctions (column 6, lines 14-17). Hence, it would have been obvious to one of ordinary skill in the art of electronic commerce at the time of applicant's invention to have the inputting step include inputting an interest rate for at least one maturity associated with at least one fixed income Treasury instrument including one or more series of maturities, for the obvious advantage of applying Harrington's method to one of the financial instruments for which he declares it applicable, thus making Treasury auctions more convenient.

Claims 2, 14-17, and 19-27

Claims 2, 14-17, and 19-27 are rejected under 35 U.S.C. 103(a) as being

unpatentable over Harrington et al. (U.S. Patent 6,161,099) in view of official notice. As

per claim 2, Harrington discloses in an electronic system including multiple buyer's

computers and an other computer, the multiple buyers' computers and the other

computer respectively located, each of said multiple buyers' computers having a

respective input means and monitor, said other computer having an output means, said

computers being used in cooperation in a multiple computer system in electronically

communicating data between said computers, an electronic process for selling fixed

income instruments, the electronic process comprising: at one of said multiple buyers'

computers, inputting data associated with a price one of the multiple buyers is willing to

pay for fixed income instruments via said respective input means (column 4, lines 34-

46; column 5, lines 11-36; column 6, lines 11-52; Figure 1); automatically computing a

yield/discount rate based at least in part on said inputted data, said automatically

computed yield/discount rate associated with said fixed income instruments (column 8,

lines 18-28; column 9, lines 23-55; Figures 10 and 11); outputting said yield/discount

rate over said multiple computer system to said other computer (Abstract; column 9,

lines 23-55; Figures 10 and 11); and displaying said yield/discount on said other

computer's output means (Figure 3a; column 11, lines 20-48). Harrington does not

expressly disclose that the respective input means and monitor are electrically coupled,

but official notice is taken that it is well known for monitors, keyboards, computer mice,

etc., to be electrically coupled to computers. Hence, it would have been obvious to one

of ordinary skill in the art of electronic commerce at the time of applicant's invention to

have the input means and monitors electrically coupled to the respective buyers'
computers, for the obvious advantage of enabling the buyers to input data and observe
output using standard, widely available equipment.

Harrington does not expressly disclose that at least one of the inputting step and
the outputting step is performed using a computer program for receiving data from said
multiple computer system, but official notice is taken that it is well known for computers
to use programs for inputting and outputting data. Hence, it would have been obvious
to one of ordinary skill in the art of electronic commerce at the time of applicant's
invention to have at least one of the inputting step and the outputting step be performed
using a computer program for receiving data from said multiple computer system, for
the obvious advantage of enabling data to be inputted and outputted conveniently,
without resorting to such improbable expedients as having a human operator input and
output it in Morse code.

As per claim 14, Harrington discloses that said displaying step comprises
displaying said yield/discount rate (Figure 3a; column 11, lines 20-48; column 13, lines
11-14).

As per claim 15, Harrington discloses selling the fixed income securities to the
one of said multiple buyers first presenting the most favorable price at least one of the
multiple buyers is willing to pay (column 14, lines 14-16).

As per claim 16, Harrington discloses selling the fixed income securities to the
buyer presenting said price said buyer is willing to pay (Abstract; column 4, lines 34-46).

As per claim 17, claim 17 is parallel to claim 4, and rejected on similar grounds.

As per claim 19, claim 19 is parallel to claim 6, and rejected on similar grounds.

As per claim 20, claim 20 is parallel to claim 7, and rejected on similar grounds.

As per claim 21, claim 21 is parallel to claim 8, and rejected on similar grounds.

As per claim 22, Harrington discloses presenting at least one price at least one of the multiple buyers is willing to pay based on the inputting step (column 4, lines 34-46; column 5, lines 11-39; column 11, lines 20-48; Figure 3a), and discloses that bidders can view bid information in real-time (column 4, lines 47-55; column 12, lines 46-58; column 13, 21-25), implying that receipt of electronically communicating data by said second other computer is performed in real time response to said presenting step. Harrington illustrates such data including at least text (Figure 6).

As per claim 23, Harrington discloses presenting at least one price at least one of the multiple buyers is willing to pay based on the inputting step (column 4, lines 34-46; column 5, lines 11-39; column 11, lines 20-48; Figure 3a), and that bidders can view bid information in real-time (column 4, lines 47-55; column 12, lines 46-58; column 13, 21-25), implying that the communicating is performed in real time response to said presenting step.

As per claim 24, claim 24 is parallel to claim 11, and rejected on similar grounds.

As per claim 25, claim 25 is parallel to claim 12, and rejected on similar grounds.

As per claim 26, claim 26 is parallel to claim 13, and rejected on similar grounds.

Response to Arguments

Applicant's arguments filed in the After Final action of November 21, 2003, and

entered in consequence of the RCE of April 19, 2004, have been fully considered but

they are not persuasive. Applicant argues that Applicant's specification does disclose

an auctioning process, because it discloses a multiple computer system with multiple

bidders (Applicant's parent patent 5,802,501, column 10, line 33). Examiner responds

that the sentence containing that line is, "In any case, eventually multiple bidders for

estates for years will drive estate for years yield premia down to double or single-digit

basis points." This is describing a phenomenon expected to take place through a

general market process, whereby extraordinarily profitable investment opportunities

attract more would-be buyers, until they are eventually bid down to the point of yielding

no more than other investments of comparable expected profit and risk. This is not a

description of an actual computerized auction process, such as Harrington discloses.

Next. Applicant argues that the specification discloses that the computed price is

sent to a seller's computer (Figure 6 in patent 5,802,501). Examiner replies that Figure

6 shows financial analysis output being sent to a seller's computer (and *to* a buyer's

computer, as well as to a tax analyst's computer and an insurance company's

computer). It does not show a price which at least one actual buyer has declared

himself willing to pay being presented by outputting data *from* the buyer's computer.

Applicant proceeds to argue that the specification also discloses that Examiner's cited

"price that it is expected that buyers will be willing to pay" is used in connection with

financial transactions (patent 5,802,501, column 21, lines 12-13). Examiner replies that

what is actually stated in that paragraph of column 21 of the '501 patent is that the logic

means of a computer system is used in connection with financial transactions, and

furthermore, the limitations of independent claims 1 and 2 of the instant application are

considerably more specific than that the price that it is expected that buyer will be willing

to pay is used in financial limitations. The cited section of column 21 of the '501 patent

does not support the actual claim limitations.

Applicant argues that if Examiner's contention were credible, the specification

would have to be interpreted as teaching the following absurd sequence of events: a

buyer's computer computes a market-based price (e.g., a bid) that the buyer is NOT

willing to pay but that SOME buyer is willing to pay, and communicates that price to a

seller's computer. Examiner replies that he does not contend that this takes place.

What actually takes place, as illustrated in Figure 6 of the '501 patent, is that a

computer which is NOT the buyer's computer produces financial output which is then

communicated to buyer's computer as well as seller's computer. The first step of the

"absurd sequence of events" being quite contrary to what Examiner actually contends,

the remaining steps of the sequence are entirely irrelevant.

Finally, Applicant accuses Examiner of not responding to Applicant's prior

remarks made responsive to the first rejection, and of not meeting his statutory burden

of proof for withholding a patent. In fact, Examiner did respond, writing four pages of

Response to Arguments. Applicant may remain unpersuaded, but Examiner is

persuaded that the statutory burden has been met, and persuading the applicant is not

the standard which must be met in rejecting a patent application. If the applicant and

the examiner in a case are not in agreement, the applicant is at liberty to appeal to the

Board and to the federal courts. In the instant application, Applicant did file a Notice of

Appeal, but followed it by a Request for Continued Examination, rather than by an

Appeal Brief. Not being able to read Applicant's heart, Examiner does not presume to

judge whether this course of action resulted from a sincere belief and hope on

Applicant's part that Examiner could be persuaded to realize the erroneousness of his

rejections, or from a realization that Applicant's arguments were likely to be as

unpersuasive to the Board as to Examiner; but on the basis of the prior art of record,

and Applicant's parent applications, Examiner believes that there is a compelling case

to maintain the rejections.

Conclusion

This is a request for continued examination of applicant's earlier Application No.

10/015,258. All claims are drawn to the same invention claimed in the earlier

application and could have been finally rejected on the grounds and art of record in the

next Office action if they had been entered in the earlier application. Accordingly, **THIS**

ACTION IS MADE FINAL even though it is a first action in this case. See MPEP

§ 706.07(b). Applicant is reminded of the extension of time policy as set forth in 37

CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE

MONTHS from the mailing date of this action. In the event a first reply is filed within

TWO MONTHS of the mailing date of this final action and the advisory action is not

mailed until after the end of the THREE-MONTH shortened statutory period, then the

shortened statutory period will expire on the date the advisory action is mailed, and any

extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of

the advisory action. In no, however, event will the statutory period for reply expire later

than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the

examiner should be directed to Nicholas D. Rosen, whose telephone number is 703-

305-0753. The examiner can normally be reached on 8:30 AM - 5:00 PM, M-F.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's

supervisor, Wynn Coggins, can be reached on 703-308-1344. (Wynn Coggins is

currently on assignment elsewhere in the Patent Office; the examiner's acting

supervisor, Jeffrey Smith, can be reached at 703-308-3588.) The fax phone number for

the organization where this application or proceeding is assigned is 703-872-9306.

Non-official/draft communications can be faxed to the examiner at 703-746-5574.

Information regarding the status of an application may be obtained from the

Patent Application Information Retrieval (PAIR) system. Status information for

published applications may be obtained from either Private PAIR or Public PAIR.

Status information for unpublished applications is available through Private PAIR only.

For more information about the PAIR system, see http://pair-direct.uspto.gov. Should

you have questions on access to the Private PAIR system, contact the Electronic

Business Center (EBC) at 866-217-9197 (toll-free).

Nicholas D. Rosen
NICHOLAS D. ROSEN
PRIMARY EXAMINER
May 26, 2004